

### **Notice to All Vermont Brokers and Salespersons**

This information was sent from the Maryland Real Estate Commission to ARELLO, and ARELLO forwarded it on to all states. The Vermont Real Estate Commission has had no confirmation of this happening in Vermont however in the interest of public safety we are posting this on the website and encouraging all to pass this along.

#### From Maryland:

*"This is to advise you of a potential scam occurring in various regions of the country, and which we have seen in our own company. The scam involves a buyer who finds an agent or a property on the internet, contacts the agent saying that they want to buy the property with cash, executes an offer (either with a regular signature or a digital signature on the contract) and then sends a very large earnest money deposit (EMD) check drawn on a bank outside of the US (which appears to be certified and often as high as \$250,000), all the while never meeting the agent or seeing the property. At a later time, the buyer, or the buyer's purported accountant, later demands that money be deducted from the deposited EMD and wired to another account.*

*There are variations on this theme, but the modus operandi appears to be depositing a large amount of money and attempting to get a refund from that deposit for some purpose. One red flag is that a small EMD is agreed to in the contract with a much larger sum deposited by check, often drawn on a Canadian Bank. An EMD check should never exceed the amount of the EMD on the contract. We should not refund money out of an EMD without an agreement between the parties and an appropriate release."*

Also on the Real Estate Council of Ontario's web page is the following information:

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*FRAUDULENT CHEQUE ALERT - Registrants may want to review the following alert that has been posted by Cassels Brock & Blackwell LLP on their website concerning an alleged fraudulent cheque scam. The firm says individuals have been contacting real estate and law offices (primarily in the United States although one attempt was made in Windsor) by e-mail and arranging to purchase property without a face-to-face meeting. A bogus cheque then arrives for an amount significantly higher than the deposit request with a note to send the excess funds to a furniture company to furnish the home."*

The Vermont Real Estate Commission asks that you advise your agents to be particularly careful when dealing with clients who are out of the area and have never (nor will ever) see the property that they enter into a contract to purchase. The scenario has played out on both the listing side and the sale side. If it looks too good to be true, it most likely is.